

2008

TENNESSEE GUIDE TO

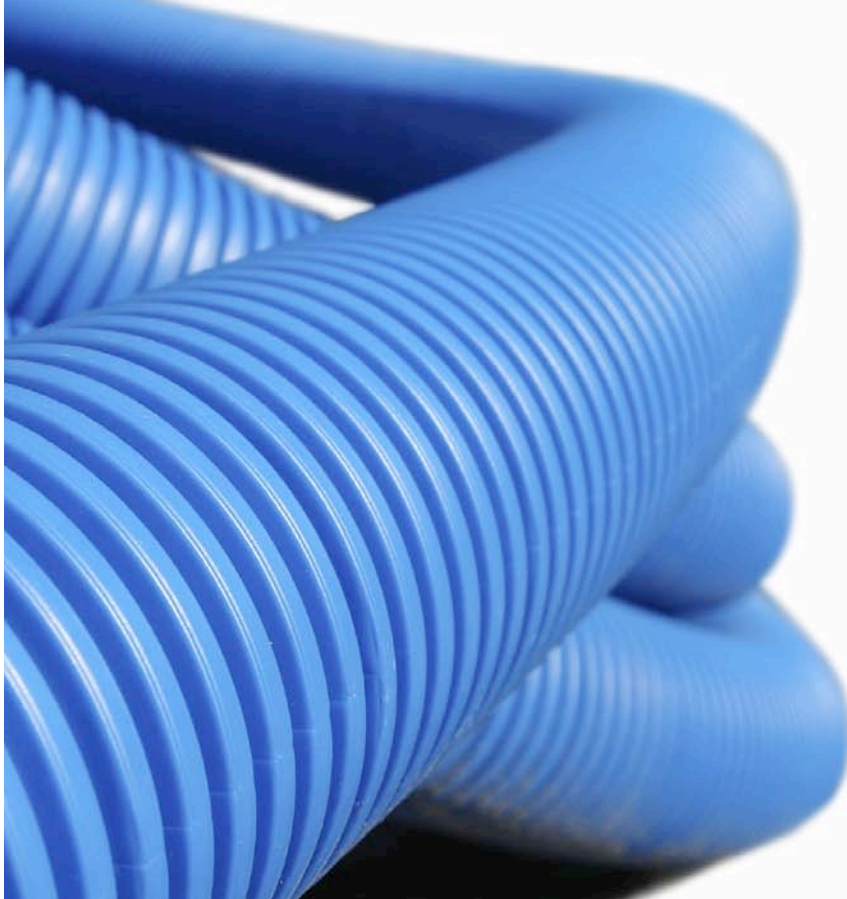
Tennessee

Plastics and Rubber Products

Tennessee Department of Economic & Community Development



Plastics and Rubber Products Manufacturing



Plastics and Rubber Products Manufacturing Industries in the Plastics and Rubber Products Manufacturing sector make goods by processing plastics materials and raw rubber. The core technology employed by establishments in this subsector is that of plastics or rubber product production. Plastics and rubber are combined in the same subsector because plastics are increasingly being used as a substitute for rubber; however the subsector is generally restricted to the production of products made of just one material, either solely plastics or rubber.

Many manufacturing activities use plastics or rubber, for example the manufacture of footwear, or furniture. Typically, the production process of these products involves more than one material. In these cases, technologies that allow disparate materials to be formed and combined are of central importance in describing the manufacturing activity. In NAICS, such activities (the footwear and furniture manufacturing) are not classified in the Plastics and Rubber Products Manufacturing subsector because the core technologies for these activities are diverse and involve multiple materials.

Fabricated plastic and rubber product facilities fall into two industry groups:

PLASTICS PRODUCT MANUFACTURING

This industry subsector comprises establishments primarily engaged in processing new or spent (i.e., recycled) plastics resins into intermediate or final products, using such processes as compression molding; extrusion molding; injection molding; blow molding; and casting. Within most of these industries, the production process is such that a wide variety of products can be made.

DID YOU KNOW?...

The 303 establishments that manufacture plastic products in Tennessee employ a total of 14,371 people. The average annual pay for workers in this industry is \$33,095. The largest employer in this industry is Eastman Chemical Co. located in Sullivan County. This facility employs about 10,000 people.



RUBBER PRODUCT MANUFACTURING

This industry group comprises establishments primarily engaged in processing natural, and synthetic or reclaimed rubber materials into intermediate or final products using processes such as vulcanizing, cementing, molding, extruding, and lathe-cutting information for clients.

DID YOU KNOW?...

The 77 establishments that produce rubber products in Tennessee employ a total of 14,190 people. The average annual pay for people in this industry is \$46,606. The largest employer in this industry is Goodyear Tire and Rubber Co. located in Obion County. This facility employs about 2,500 people.



WEST

- Tire and Rubber Co.
Obion County

MIDDLE

- More than 20 facilities in
Davidson County

EAST

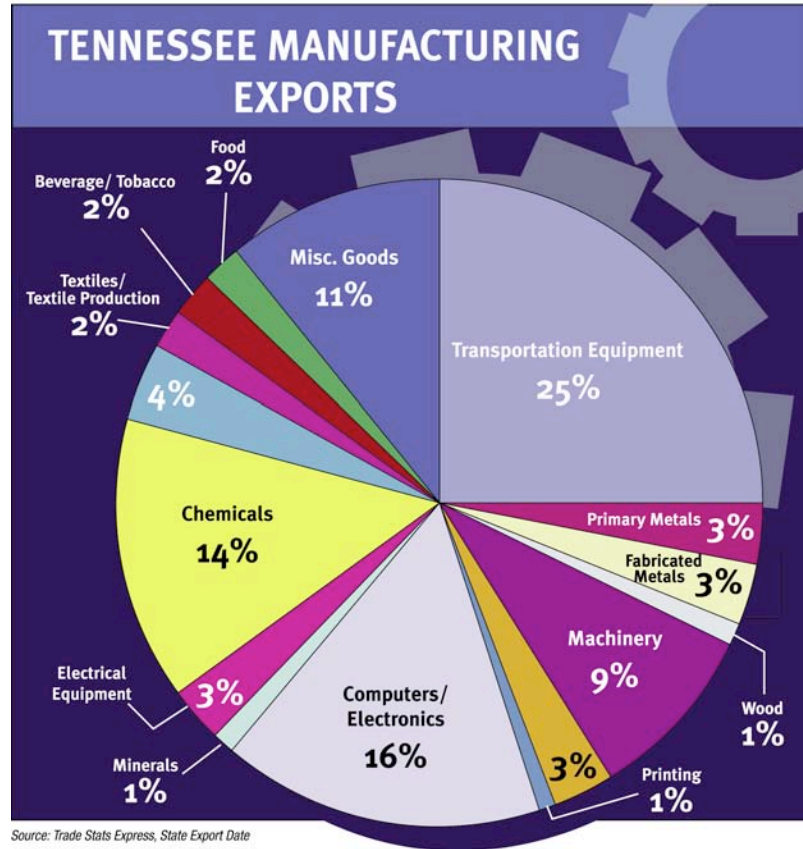
- More than 20 facilities in
Hamilton County
- Eastman Chemical Co.
Sullivan County



In 2005 there were 382 facilities, down from 393 facilities in 2001. The total number of employees working in plastic and rubber product manufacturing fell from 30,343 in 2001 to 29,325 in 2005, a decrease of about 3.3 percent, but by 2007 employment in this industry is predicted to increase to about 42,500. The average annual wage in this industry was \$39,246 in 2005. There are facilities in 76 out of the 95 counties in Tennessee, and there are more than 20 facilities in both Hamilton and Davidson Counties.

The largest employers in this industry are Eastman Chemical Co. in Sullivan County and Goodyear Tire and Rubber Co. in Obion County. From 2000 to 2003 the plastic and rubber product manufacturing industry increased its output from \$2,134,000,000 to \$2,164,000,000. The output from this industry made up about six percent of Tennessee's Manufacturing Gross State Product.

Transportation equipment is the largest manufacturing export in Tennessee, making up about one fourth of total manufacturing exports from Tennessee. Transportation equipment is followed by computer and electronic products and chemical products. Plastic and rubber products make up about four percent of total exports from Tennessee. The graph below shows a breakdown of Tennessee's exports by industry.

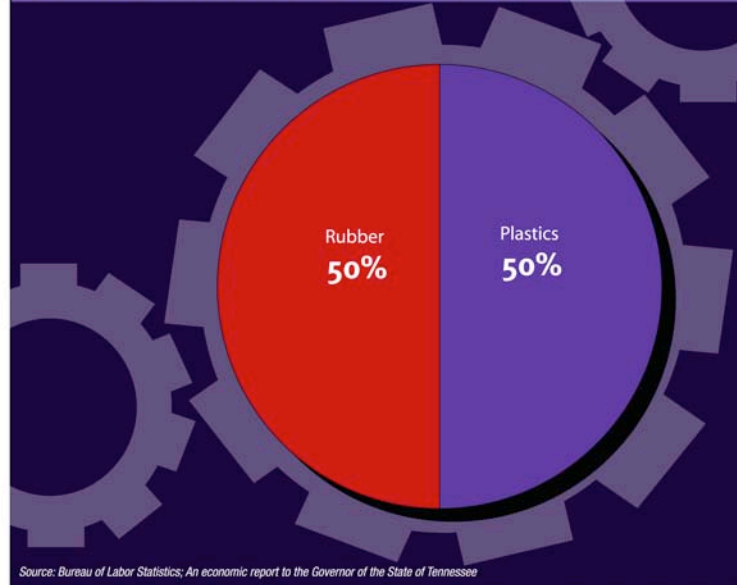


From 2000 to 2005 the total value of plastic and rubber products exported from Tennessee increased by over 26 percent from about \$490 million to over \$618 million. The following table is a list of the top twenty foreign markets to which plastic and rubber products are exported from Tennessee. One can see from the table that Canada, Mexico, and the Japan are the biggest foreign markets for Tennessee's plastic and rubber products.

Partner	2001 Export Value(\$)	2005 Export Value(\$)	% Change
Canada	222944965	294182827	31.95312
Mexico	127196953	161716330	27.13853
Japan	19932222	20691020	3.80689
Germany	8701638	17746609	103.94561
Ireland	3496033	14209831	306.45586
United Kingdom	10046593	12572316	25.14009
Hong Kong	2413108	10817505	348.28101
Australia	7612840	9703678	27.46463
Brazil	12211408	6424371	-47.39042
France	9352224	6409488	-31.46563
Chile	4477042	6190608	38.27451
Venezuela	3369725	5723533	69.85163
Singapore	1687349	3536196	109.57111
Belgium	1948918	3197927	64.0873
China	2243963	2881799	28.42453
Poland	0	2605520	
Colombia	6425507	2431786	-62.15418
Spain	2308013	2244084	-2.76987
Dominican Republic	2536805	2111048	-16.7832
Denmark	168325	1958707	1063.64592
Other Countries	40985811	31183243	-23.916979
World Total	490059442	618538426	26.21702

Source: Bureau of Labor Statistics, 2007

DISTRIBUTION OF PLASTIC/RUBBER EMPLOYMENT IN TENNESSEE

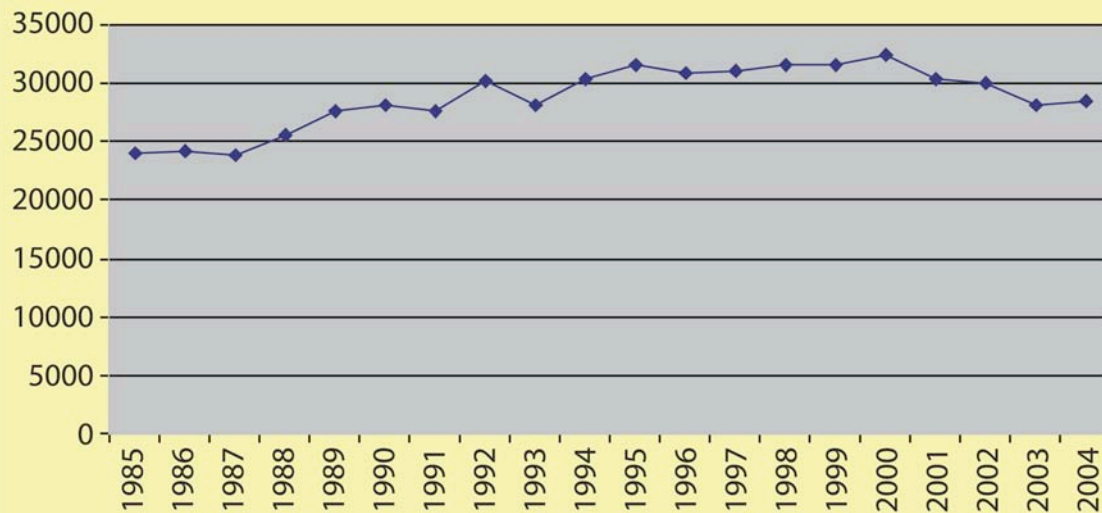


Source: Bureau of Labor Statistics; An economic report to the Governor of the State of Tennessee

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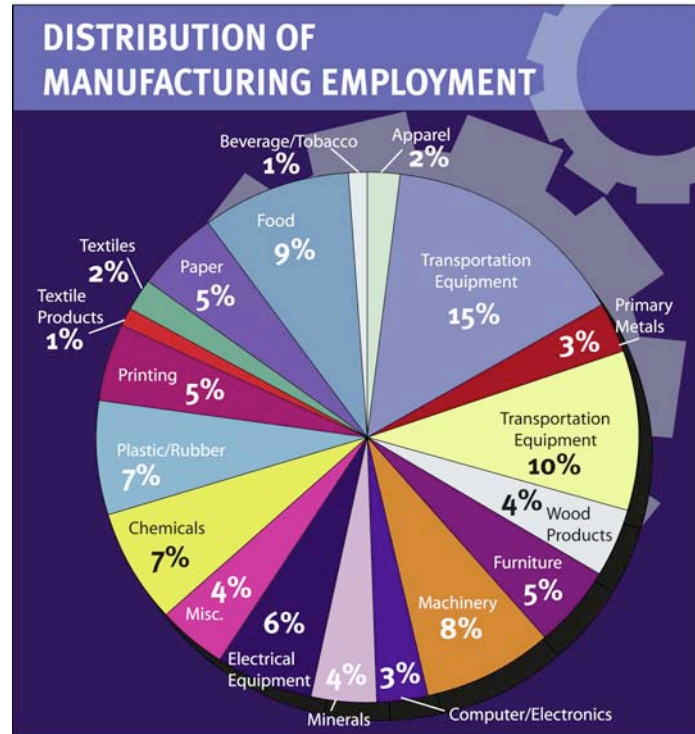
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Employment in Rubber and Plastics Manufacturing



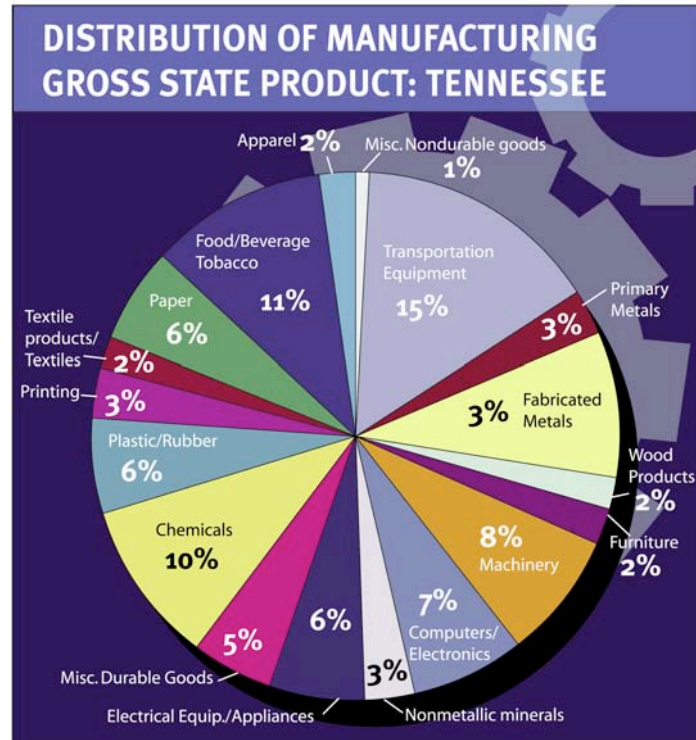
Source: An Economic Report to the Governor of the State of Tennessee

Transportation equipment makes up the largest portion of manufacturing gross state product (GSP), followed by food, beverage, and tobacco, and chemical products. The plastic and rubber product industry accounts for six percent of Tennessee's manufacturing GSP. A breakdown of Tennessee's GSP by sector is shown in the graph below.



Source: Trade Stats Express, State Export Data

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REFERENCES

An Economic Report to the Governor of the State of Tennessee: On the State's Economic Outlook. January 2006: Center for Business and Economic Research, College of Business Administration, University of Tennessee. 2006.

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The Source. Tennessee Department of Labor and Workforce Development: <http://thesource.tnui.net/default.asp>.

Harris InfoSource.



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